U.S. Department of Education
Annual Report

Fiscal Year 1989 - 90







EDD
L
111
.A3
1989/90

U.S. Department of Education
Research Library
555 New Jersey Avenue, NW
Washington, D.C. 20208

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

I am pleased to present to you the Annual Report of the U.S. Department of Education—a program-by-program analysis of our activities for fiscal years 1989-90. For those unfamiliar with the Department's many and diverse responsibilities, this report should serve as a practical guide, because it not only records actions taken but also defines the procedures used to make and implement decisions. In addition, it contains a good deal of specific information about such matters as grants and contracts, changes in organizational structure, and new legislation.

We hope that the report will prove useful in evaluating the achievements of the Department over this two-year period and will also aid in planning for the future. The information contained in this report should help to increase the effectiveness of the Department's current practices and to suggest new strategies for the future.

Respectfully,

Ted Sanders

Ted Sanders
Under Secretary and
Chief Financial Officer

U.S. DEPARTMENT OF EDUCATION
AUG 31 199
RESEARCH LIBRARY

L 111 .A3 1989-90 c.4

United States. Dept. of Education.

Annual report



CONTENTS

3 Office of the Secretary
4 Department Organization Chart
5 Bilingual Education and Minority Languages Affairs
7 Civil Rights
9 Educational Research and Improvement
11 Elementary and Secondary Education
13 General Counsel
15 Inspector General
17 Intergovernmental and Interagency Affairs
21 Legislation and Congressional Affairs
23 Management
25 Planning, Budget and Evaluation
27 Postsecondary Education
29 Special Education and Rehabilitative Services
31 Vocational and Adult Education
33 Appendix A—Advisory Councils, Boards and Commissions
35 Appendix B—Secretary's Regional Representatives

Within the Office of the Secretary are several functions critical to the effective execution of Department policies and programs. These include the Office of Private Education, the Office of Corporate and Community Liaison, the Drug Abuse Prevention Oversight Staff,* and the Office of Public Affairs.

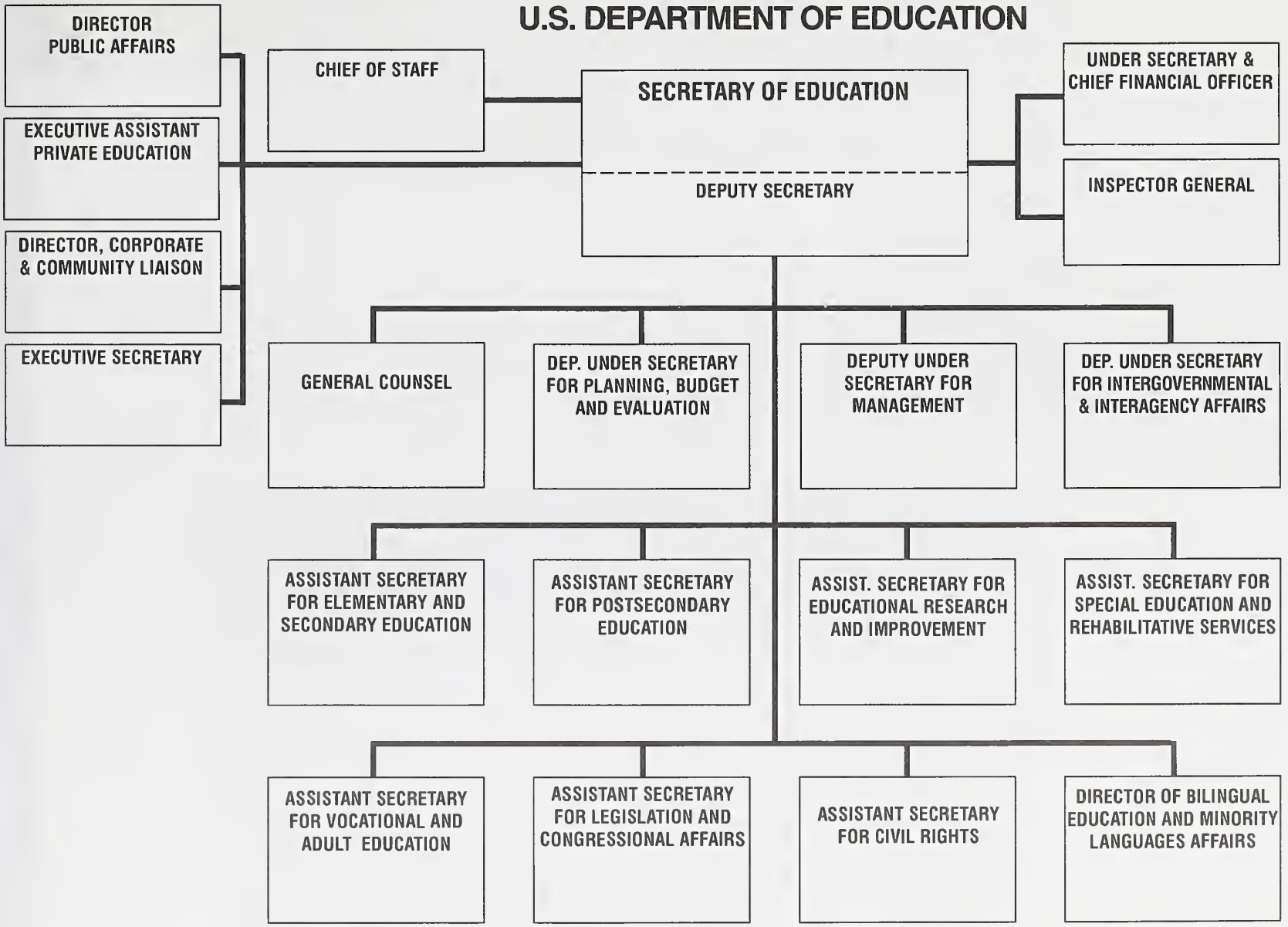
In FY 1989 and 1990, the Office of Private Education concentrated on providing information to private educators about the national education goals and school choice. The office also worked closely with other departmental offices to ensure the equitable participation of private school students in the Department's programs.

Reflecting the Department's commitment to expanding private-sector involvement in education, the Office of Corporate and Community Liaison developed several data bases in FY 1989 that list more than 1,200 business-education partnerships throughout the country. In FY 1990, the office, which made the national education goals the focus of its efforts to increase education partnerships, began planning an awards program that will honor exemplary partnerships that work toward achieving the goals.

In FY 1989, the Drug Abuse Prevention Oversight Staff (DAPOS) updated the drug prevention handbook, *Schools Without Drugs*. More than three million copies of the handbook, first released by the Department in 1986, have been distributed. In February 1990, the office released *Growing Up Drug Free: A Parent's Guide to Prevention*, which offers information that helps families take an active role in substance use prevention. Nearly six million copies have been distributed by the Department. DAPOS also published *Learning to Live Drug Free: A Curriculum Model for Prevention*, which was distributed in FY 1990 to all public school superintendents and principals and to private schools that have enrollments of more than 100.

During FY 1989 and 1990, the Office of Public Affairs issued 209 press releases, conducted eight news conferences, and responded to 6,675 requests under the Freedom of Information Act. The office launched the Department's first employee newsletter, *ED NEWS*, in FY 1989. Issued monthly to employees in the Department and its ten regional offices, the newsletter helps to keep employees informed of the Department's official position on national education issues; activities of the secretary and other senior officials; and safety, health, and other administrative policies and procedures. Also in FY 1989, the office published *ED FACTS: Information about the U.S. Department of Education*, the first in a series of brochures designed to provide general information to the public about the Department and its programs. Six additional brochures were released in FY 1990 that explain the work of the Department's major program offices. In September 1990, the office coordinated the mailing of national education goals posters produced by the National Geographic Society to every public and private elementary and secondary school in America. The Department's Publications Review Board (PRB), which reviews and approves requests for publications and audiovisual products, was transferred from the Office of Management to the Office of Public Affairs in September 1990. The director of public affairs now serves as chairman of the PRB.

*In December 1990, DAPOS was transferred from the Office of the Secretary to the Office of Elementary and Secondary Education.


U.S. DEPARTMENT OF EDUCATION
DIRECTOR PUBLIC AFFAIRS
EXECUTIVE ASSISTANT PRIVATE EDUCATION
DIRECTOR, CORPORATE & COMMUNITY LIAISON
EXECUTIVE SECRETARY
CHIEF OF STAFF
SECRETARY OF EDUCATION
DEPUTY SECRETARY
UNDER SECRETARY & CHIEF FINANCIAL OFFICER
INSPECTOR GENERAL
GENERAL COUNSEL
DEP. UNDER SECRETARY FOR PLANNING, BUDGET AND EVALUATION
DEPUTY UNDER SECRETARY FOR MANAGEMENT
DEP. UNDER SECRETARY FOR INTERGOVERNMENTAL & INTERAGENCY AFFAIRS
ASSISTANT SECRETARY FOR ELEMENTARY AND SECONDARY EDUCATION
ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION
ASSIST. SECRETARY FOR EDUCATIONAL RESEARCH AND IMPROVEMENT
ASSIST. SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES
ASSISTANT SECRETARY FOR VOCATIONAL AND ADULT EDUCATION
ASSISTANT SECRETARY FOR LEGISLATION AND CONGRESSIONAL AFFAIRS
ASSISTANT SECRETARY FOR CIVIL RIGHTS
DIRECTOR OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS

The Office of Bilingual Education and Minority Languages Affairs (OBEMLA) administers sixteen programs to assist students with limited proficiency in English. These programs, authorized primarily by the Bilingual Education Act, fall into three categories: bilingual education programs, support services, and training grants to prepare education personnel. OBEMLA's appropriation for fiscal year 1990 was $188.7 million.

Through six bilingual education programs, OBEMLA funded 799 projects during the fiscal year. The 208,663 students and 6,419 parents who participate in these programs speak 148 different languages. Of the populations served, approximately 60 percent are Spanish-speaking; people who speak Asian languages make up the second most numerous group; and approximately 10 percent speak American Indian languages. Although the Transitional Bilingual and Special Alternative Instructional programs remain the office's top priority, in a significant new step, OBEMLA awarded $2.8 million to seventeen Developmental Bilingual projects: fourteen English-Spanish projects, an English-Cantonese project, an English-Japanese project, and an English-Portuguese project.

OBEMLA awarded contracts in FY 1990 to two Evaluation Assistance Centers at Georgetown University and the University of New Mexico and to the National Clearinghouse for Bilingual Education at George Washington University. The office also provided funds to fifty-four state and territorial education agencies to collect data on limited-English proficient (LEP) students and programs. A five-year longitudinal study on LEP students was completed in FY 1990.

Under the training category, 143 grants were awarded to institutions of higher education, local education agencies, and nonprofit organizations. In addition, OBEMLA awarded funds for 178 fellows to undertake graduate work at thirty universities.

Sixteen Multifunctional Resource Centers (MRCs) were awarded contracts. The primary mission of each MRC is staff development, and each is assigned a field of special expertise, for example, bilingual adult education. In relation to its area of expertise, the MRC is responsible for collecting data, reviewing research, and disseminating information to the other fifteen centers.

In 1990, OBEMLA conducted several seminars and conferences that were designed to enhance both the professional development of and collaboration among the various sectors of the bilingual education community. In keeping with the secretary's emphasis on school-based management, OBEMLA has made special efforts to involve school principals in the bilingual education effort. For example, two management seminars in January and October 1990 for new and continuing project directors and principals drew 2,200 participants.

OBEMLA staff also met with bilingual education coordinators from local and state education agencies throughout the year. In January 1990, a national forum sponsored by the office to discuss staffing needs in programs for LEP students was attended by superintendents, assistant superintendents, and deans of education schools. Forum participants made several recommendations that would help to ease chronic staffing shortages, including the streamlining of certification requirements for bilingual personnel and the establishment of career ladders to provide formal training for aides and paraprofessionals. In September 1990, OBEMLA sponsored its first research symposium combining theory, empirical research, and practice. Research papers commissioned by OBEMLA examined such issues as the preparation of mainstream classroom teachers, language in relation to knowledge structures and tasks, second language acquisition, the implications of early childhood theory for bilingual education, and demographic issues.

The Office for Civil Rights (OCR) enforces four federal statutes that prohibit discrimination in programs and activities receiving federal financial assistance from the Department of Education. Discrimination on the basis of race, color, and national origin is prohibited by Title VI of the Civil Rights Act of 1964; sex discrimination is prohibited by Title IX of the Education Amendments of 1972; discrimination on the basis of handicap is prohibited by Section 504 of the Rehabilitation Act of 1973; and age discrimination is prohibited by the Age Discrimination Act of 1975. OCR also assists other departmental offices in ensuring that federal assistance administered by those offices is consistent with federal civil rights laws.

To ensure equal opportunity in all programs and activities funded by the Department, OCR investigates complaints and conducts compliance reviews. It also monitors the execution of plans to bring states, schools, colleges, and other recipients of federal funds into compliance with the law and provides technical assistance to encourage voluntary compliance.

Complaints

During fiscal year 1990, OCR received 3,382 complaints and closed 3,178, some of which were received in previous years. As of September 30, 1990, 1,250 complaints were pending. Table 1 shows the number and type of complaints received by OCR in FY 1990.

Table 1 - Complaints Received by OCR in FY 1990

Basis of Complaint	Number	Percent
Handicap	2,022	60
Race	444	13
Sex	156	4
National origin	85	3
Age	58	2
Multiple bases (e.g., race and sex)	387	11
Other (including no jurisdiction)	230	7
Total	3,382	100

Sixty-six percent of the complaints OCR received involved elementary and secondary schools; 25 percent involved postsecondary schools; and 9 percent involved other entities. Seventy-nine percent alleged discrimination in the delivery of services, while most of the remaining complaints alleged discrimination in employment.

Compliance Reviews

Compliance reviews differ from complaint investigations in that they usually cover broader discrimination issues and affect significantly larger numbers of individuals. Selection of review sites is based on various sources of information, including survey data and information provided by complainants, interest groups, the media, and the general public, that indicate potential compliance problems. During FY 1990, OCR initiated thirty-two compliance reviews and closed thirty, some of which were started in previous years. The majority of the compliance reviews involved elementary and secondary schools and covered such issues as assignment of students to schools and assignments of students with physical or mental impairments. As of September 30, 1990, twenty-four compliance reviews were pending, including three that involve formal enforcement proceedings. In addition, OCR completed compliance reviews of possible admission bias against Asian Americans in Harvard University's undergraduate program and eighty-five graduate programs at the University of California at Los Angeles (UCLA). No violation was found at Harvard. However, a violation of Title VI was found in the admissions process in UCLA's mathematics department; eight other UCLA departments were placed on record-keeping requirements.

Enforcement Actions

During FY 1990, approximately fourteen cases were being litigated. Twelve of these cases were in the initial stages of litigation prior to the beginning of FY 1990, and two new administrative enforcement cases were approved for enforcement and filed during FY 1990. Acceptable settlements were obtained in six cases, including three cases that were carried over

into FY 1991 pending full implementation of settlement plans and final dismissal by an administrative law judge.

One case resulted in the termination of funds to a school district that denied OCR access to information. A final order terminating federal financial assistance to the school district was issued on May 30, 1990. This was the first fund termination in more than eight years.

At the end of FY 1990, two cases were on appeal to the Civil Rights Reviewing Authority, and eight cases were at the trial stage.

Remedial Plans

OCR closes many of its civil rights violation complaints and compliance reviews on the basis of commitments by institutions to undertake specific remedial actions. During FY 1990, OCR conducted more than 1,100 remedial plan reviews in order to ensure compliance.

OCR also continued its evaluation of the activities conducted by Delaware, Florida, and Virginia, whose higher education desegregation plans expired in academic year 1985-86. OCR issued a letter to Delaware notifying the state that, based on its assurance to complete restorations to one building, Delaware is in compliance with Title VI. OCR sent a letter to Florida confirming the completion date for two construction projects and requesting periodic progress reports until the projects are completed. OCR also issued a letter to Virginia informing it of activities that need to be completed in order for the commonwealth to meet desegregation plan requirements. OCR also continued monitoring the higher education desegregation plans of Kentucky, Texas, Pennsylvania, and Maryland.

In addition, during FY 1990, OCR evaluated sixty-three vocational education Methods of Administration programs for compliance with OCR's 1979 Vocational Education Guidelines. Fifty state programs were found to be in substantial compliance with their responsibilities. The remaining thirteen state programs have been advised by OCR of the corrective actions necessary to resolve deficiencies.

Technical Assistance

Technical assistance complements OCR's compliance activities by encouraging voluntary compliance. OCR's technical assistance program provides information and other services that inform citizens of their civil rights and assist recipients in voluntarily complying with civil rights laws.

During FY 1990, OCR received 1,788 requests for technical assistance, initiated 264 outreach efforts, and conducted 2,309 technical assistance activities. Approximately 10,600 recipients, beneficiary organizations, and individual beneficiaries were assisted through these activities. Most of these activities addressed Section 504 concerns, such as appropriate public education, program accessibility, student services, and specific regulation requirements. OCR also provided technical assistance about matters that are covered under Title VI and Title IX, including services to limited-English proficient students, sexual harassment, and equal opportunity in employment.

In an effort to increase the involvement of state and local officials in civil rights enforcement, OCR continued to implement memoranda of understanding with state education and human or civil rights agencies. At the end of FY 1990, OCR had eighty formal agreements and nineteen informal agreements in place.

The Office of Educational Research and Improvement (OERI) is responsible for the oldest federal role in education: gathering and reporting information on the status and condition of American education. OERI supports and conducts research on education; collects and analyzes education statistics; and administers programs to promote innovation and reform, to improve practice, and to enhance libraries and library education. Information collected by OERI is disseminated to parents, students, teachers, school officials, policymakers, researchers, and others interested in education. OERI's fiscal year 1990 appropriation of $321.1 million included $136.7 million for library programs and $184.4 million for support of education statistics, research, improvement, innovation, and dissemination activities.

Statistics

In FY 1990, the National Center for Education Statistics (NCES) initiated or continued data collection programs at all levels, from early childhood through adult education. NCES continued work on the National Adult Literacy Survey and initiated the design of a longitudinal study of beginning postsecondary students, which addresses such issues as initial and short-term earnings in relationship to a college education.

The center also continued to emphasize the timely release of data by releasing the first report from the National Education Longitudinal Study of 1988 (NELS:88), *Profile of the American Eighth Grader*, at the 1990 annual meeting of the Education Writers' Association. Findings from the National Study of Postsecondary Faculty and data from the Schools and Staffing Survey (SASS) were also unveiled at major conferences in FY 1990.

The Hawkins-Stafford Amendments of 1988 reauthorization significantly enlarged the scope of the National Assessment of Educational Progress (NAEP). NAEP's first state-level assessment, a trial assessment of eighth-grade mathematics, was conducted in thirty-seven states, the District of Columbia, and two U.S. territories. Survey results were released in June 1991.

Research

In FY 1990, the Office of Research (OR) made improvements to its three program areas: the national research and development centers, field-initiated studies, and discretionary research activities. OR successfully conducted a competition for seventeen national research and development centers on topics that ranged from education in the inner cities to adult literacy, bringing the number of centers to twenty-five. OR began a study of the federal role in education research and development to be conducted by the National Academy of Sciences and supported a number of studies, analyses, and conferences on topics that included alternative assessments, international comparisons, and the quality of teacher education.

Improving Educational Practice

Programs for the Improvement of Practice (PIP) ensures that education data, exemplary practices and programs, and research findings are easily accessible to OERI constituents. In FY 1990, PIP conducted a competition for new five-year contracts for ten regional education laboratories, which have a primary mission to improve the education of at-risk students. Also, an interagency agreement was signed by the Department of Education and the Department of Health and Human Services that provided funding for laboratories to examine ways in which early childhood education and early elementary school education can be more effectively linked.

PIP's Network of Colleges and Universities Committed to the Elimination of Drug and Alcohol Abuse expanded its member institutions to 1,300 in FY 1990 and sponsored its third national forum on substance abuse issues. PIP also implemented the Educational Partnerships Program, which awarded eighteen grants to encourage alliances between public elementary and secondary schools or institutions of higher education and the private sector.

Library Programs

The Office of Library Programs (LP) administers federal funding for the country's state, public, academic, and research libraries. In FY 1990, LP supported the extension of public library services to populations in areas with inadequate services and to disadvantaged, disabled, and other special populations. LP also supported the strengthening of state library leadership and the establishment of literacy projects. Programs were funded to strengthen research libraries, support scholarly research and library demonstration projects, and develop and implement technology innovations in academic libraries. Continuing efforts to improve the evaluation of federally funded library programs were made by publishing a collection of nine commissioned papers on evaluation issues.

Innovation and Reform

The Fund for the Improvement and Reform of Schools and Teaching (FIRST) Office encourages and supports innovative, reform-oriented projects that are aimed at elementary and secondary school students and their families. For example, in FY 1990, the Fund for Innovation in Education (FIE) funded ninety-eight new and continuing projects on such issues as comprehensive school health education and technology. With the National Institute of Justice, FIE also funded an information technology ethics education project and joined the National Institutes of Health in supporting the development of an asthma education curriculum and instructional materials.

The office's Family-School Partnership and Schools and Teachers programs awarded seventy-eight new and continuing grants in FY 1990.

FIRST's Dwight D. Eisenhower Mathematics and Science Education National Program awarded fifty-two new and continuing grants in FY 1990. The office also cooperated with the National Science Foundation (NSF) to fund Project 2061: Science for All Americans, a program conducted by the American Association for the Advancement of Science.

Committee on Education and Human Resources

To help coordinate the federal government's effort to improve science, mathematics, engineering, and technology education, the Federal Coordinating Council on Science, Engineering, and Technology, chaired by the president's science advisor, convened a Committee on Education and Human Resources (CEHR) in May 1990. OERI represents the Department on the CEHR. In 1990, CEHR produced an overview of federal activity relating to the promotion of mathematics and science education and established federal funding priorities for FY 1992.

Dissemination

In FY 1990, OERI implemented a new dissemination policy. The office expanded its traditional audience by directing more efforts toward parents and teachers. Outreach efforts were undertaken with education associations, unions, and parent and teacher groups. New publications included "Issues in Education" reports about parental involvement in education and restructuring schools for young adolescents and a "Policy Perspective Series" of issue papers written by distinguished scholars on such topics as early childhood education, accountability, and increasing the achievement of at-risk students. In conjunction with the private sector and other government agencies, OERI produced a booklet, *Helping Your Child Learn Geography*, which was distributed by the Consumer Information Center.

In FY 1990, OERI published 178 books, pamphlets, booklets, and papers, and it responded to more than 200,000 requests for information. The office collaborated with outside agencies to create four new adjunct clearinghouses as part of its Educational Resources Information Center system, and it upgraded its electronic bulletin board.

The Office of Elementary and Secondary Education (OESE) administers programs to assist state and local education agencies (LEAs) in improving the achievement of elementary and secondary students. It is the federal government's principal office for implementing the national education goals. OESE's largest program is the Chapter 1 Program for educationally disadvantaged children. OESE activities also include supporting school restructuring efforts; providing financial assistance to LEAs adversely affected by federal installations and activities; implementing or improving drug abuse education and prevention programs; assisting elementary and secondary school teachers in improving their teaching; improving mathematics and science education; assisting states and LEAs on school desegregation matters; improving education for migrant and American Indian children; and providing magnet school grants. OESE's appropriation for fiscal year 1990 was approximately $7 billion.

Compensatory Education

In FY 1990, OESE distributed nearly $4.8 billion to states for programs authorized in Chapter 1 of Title 1 of the Elementary and Secondary Education Act of 1965, as amended, for educationally deprived children in low-income areas. These funds enabled approximately 14,000 school districts to provide compensatory education programs for more than 5 million children.

A policy manual was issued by OESE to all the states and LEAs to assist the states in achieving proper and efficient administration of Chapter 1 programs. Eight regional meetings were conducted by OESE to assist states and LEAs in implementing the new Chapter 1 program improvement requirements. OESE distributed $12.5 million to states for direct education services in schools that were implementing Chapter 1 program improvement plans.

Awards totaling more than $23 million for the Chapter 1 Even Start Program were issued to 123 LEAs for demonstration projects that integrate early childhood education and adult education into programs that will help parents become more effective participants in their children's education.

More than $32.7 million in Chapter 1 funds for supplementary education services was distributed to states that provide education in institutions for neglected or delinquent children.

To establish an office in each state for the coordination of education for homeless children, OESE made grants totaling $4.6 million as authorized by the Stewart B. McKinney Homeless Assistance Act of 1987.

Sixty-two grants, totaling $7.2 million, were issued in FY 1990 for the Follow Through Program, which is authorized by the Human Services Reauthorization Act of 1986. These funds are used to develop, demonstrate, and disseminate model instructional approaches that provide comprehensive services to children from low-income families who are in kindergarten or primary grades and who were previously enrolled in Head Start or similar programs.

Migrant Education

In FY 1990, OESE awarded $282 million for migrant education. The program provided education and related support services for approximately 382,000 migrant children. The office also coordinated activities such as the Migrant Student Record Transfer System, which facilitates the interstate and intrastate transfer of the academic and health school records of migrant children.

School Improvement

In FY 1990, OESE distributed $456 million under the Federal, State, and Local Partnership for Educational Improvement Program, authorized under Chapter 2 of Title 1 of the Elementary and Secondary Education Act of 1965, as amended. Chapter 2 provides funds to states and LEAs to operate programs that improve elementary and secondary education for students in public and private schools.

Drug-Free Schools and Communities

OESE funds a variety of activities designed to achieve the goal of drug-free schools. FY 1990 awards included more than $460 million to the states to support alcohol and drug abuse education and prevention programs in schools and communities; $23.7 million to states, LEAs, and institutions of higher education (IHEs) for training of school personnel; $16 million to five regional centers to provide training and technical assistance to states, LEAs, and IHEs; $5 million to the Bureau of Indian Affairs (BIA) for programs at BIA schools; $5 million to IHEs for the practical application of research; $3.8 million to the states, LEAs, IHEs, and private nonprofit organizations for programs targeted at students in grades six through twelve; and $1 million for programs for Hawaiian natives.

Magnet Schools

The Magnet Schools Assistance Program provides grants to eligible LEAs to establish and operate magnet schools that are part of an approved desegregation plan. In FY 1989, fifty-four school districts received first-year grants that have been continued with FY 1990 funds totaling $112.2 million. Grant funds may be used for planning and promotional activities, teacher salaries, and the purchase of books, materials, and equipment, including computers, that are necessary for magnet school programs.

Dwight D. Eisenhower Mathematics and Science Education State Grants

This program is authorized under Title 2, Part A, of the Elementary and Secondary Education Act of 1965, as amended. It provides support to the states, LEAs, and IHEs for improving teachers' skills and instruction quality in mathematics and science in elementary and secondary schools. In FY 1990, OESE distributed $126.8 million under this program.

Christa McAuliffe Fellowship Program

This program made awards to seventy-five outstanding teachers in forty-nine states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, American Samoa, Guam, the Northern Marianas, and Palau. The average award was $31,200, which was used for such projects as sabbaticals for study or research, development of special innovative programs, and model teacher programs.

Impact Aid

In FY 1990, more than 1.8 million children who lived on federal property or resided with parents who worked on federal property generated payments to school districts under Section 3 of the Impact Aid Program. Of these students, more than 111,000 were living on American Indian lands.

Indian Education

In FY 1990, the Office of Indian Education (OIE) awarded $50.8 million in 1,152 formula grants to local school districts, eighty to BIA-operated schools, and fifty-seven to BIA-contract schools that serve approximately 358,000 students. The Formula Grant Program provides financial assistance to LEAs to develop elementary and secondary school programs designed to meet the special education and cultural needs of Indian children. The Adult Education Program, which provides financial assistance for the improvement of employment and education opportunities for Indian adults, made thirty awards to Indian tribes, colleges, and universities. The Fellowship Program awarded 128 grants, totaling $1.6 million, for individual fellowships in business administration, clinical psychology, education, engineering, law, medicine, natural resources, and psychology.

The Office of the General Counsel (OGC) provides legal services to the Department and its officials. It is responsible for interpreting all federal education laws and other federal laws affecting the Department's operations. OGC represents the Department in administrative and judicial litigation, drafts and reviews legislation and regulations for the Department, and advises the secretary and other officials on policy initiatives and legal developments.

Student Financial Aid

In FY 1990, OGC participated extensively in numerous Department initiatives designed to improve the integrity of the Department's student financial assistance (SFA) programs, while ensuring the smooth delivery of funds to students under these programs. Sixty percent of the Department's formal administrative proceedings in FY 1990 consisted of actions in which the Department defended its demands for the return of misspent funds under the SFA programs from education institutions; sought to limit, suspend, or terminate the eligibility of institutions under those programs; or sought to fine such institutions for serious program violations. OGC represented the program office in all these matters and advanced the Department's interests in bankruptcy and other court actions.

OGC had lead responsibility in 1990 for formulating and negotiating a resolution to the failure of the Higher Education Assistance Foundation (HEAF), one of the largest student loan guarantee agencies, to meet its financial obligations to lenders under the Guaranteed Student Loan (GSL) programs. With the assistance of a financial adviser and program staff, OGC supervised analyses of HEAF's problems and the development of options for resolving the crisis. It was decided that the Student Loan Marketing Association would help HEAF wind down its operation in an orderly manner, at minimal cost to the Department, while other student loan guarantee agencies will assume HEAF's guarantee functions.

OGC assisted the Department of Justice (DOJ) in successfully upholding the Department's actions to collect approximately $200 million in excess cash reserves from GSL program guarantee agencies. Although more than two dozen guarantee agencies sued the Department, all challenges to the constitutionality of the underlying statutory provision were rejected by district or appeal courts, and the U.S. Supreme Court declined to review those courts' decisions.

OGC also worked in FY 1990 with DOJ to recover more than $18 million from Florida Federal Savings Bank as a settlement of potential government civil claims that arose from the falsification of GSL program documents by bank officials. OGC assisted federal prosecutors in the subsequent criminal case that resulted in the conviction of the bank and three former bank officials on mail fraud and conspiracy charges.

Elementary, Secondary, Adult, and Vocational Education

OGC continued to provide litigation support on many ongoing church-state cases, such as *Pulido* v. *Cavazos* and *Walker* v. *San Francisco,* and on several new church-state cases that were filed in 1990. In addition, OGC provided legal advice to program officials about whether to maintain or increase services to private school students in the wake of the *Aguilar* v. *Felton* decision. OGC also assisted DOJ officials in defending the constitutionality of the Equal Access Act, which was upheld by the U.S. Supreme Court in *Westside Community Schools* v. *Mergens.*

In response to concerns raised at the president's 1989 Education Summit with the governors about regulatory barriers associated with federal education program funds, the office helped to develop better guidance materials for grantees that describe the flexibility available to them. For example, the Chapter 1 policy manual was revised to reflect increased flexibility in the use of equipment that is purchased with Chapter 1 funds.

Departmental Accountability and Administration

OGC efforts to eliminate waste in program administration by reviewing and drafting program determination letters and successfully litigating audit appeals led to the recovery of millions of dollars in audit claims.

Civil Rights, Special Education, Rehabilitative Services, and Bilingual Education

OGC worked with the Office for Civil Rights (OCR) and DOJ in successfully urging the Court of Appeals for the District of Columbia to uphold the dismissal of the long-pending lawsuit, *Adams* v. *Cavazos*, which had limited OCR's discretion in carrying out its investigatory and enforcement functions. OGC also worked with OCR and DOJ in successfully urging the Eleventh Circuit Court of Appeals to rule that Section 504 of the Rehabilitation Act requires the provision of auxiliary aids, such as sign language interpreters and wheelchair-accessible buses, to students with disabilities (*United States* v. *University of Alabama-Birmingham*). In addition, OGC assisted in defending a challenge to the Department's ability to terminate federal financial assistance to the De Kalb County, Georgia, School District for violations under Section 504 of the Rehabilitation Act. The district denied OCR access to investigate complaints that were made by students with disabilities.

OGC assisted the Office of Special Education and Rehabilitative Services (OSERS) in responding to states that were asking for advice on how to increase flexibility in implementing their education reform initiatives, while continuing to comply with the requirements of the Individuals with Disabilities Education Act. OGC was involved in the review of state choice initiatives, including the Milwaukee Choice Program, and provided assistance to ensure that these initiatives were consistent with federal requirements.

Regulations

OGC assisted in publishing significant regulations in FY 1990 designed to improve program accountability, target grant funds to the areas of greatest need, and implement a variety of congressional enactments. For example, new regulations implemented provisions under the Drug-Free Schools and Communities Act Amendments of 1989, which require institutions of higher education and local school districts that receive federal financial assistance to certify that they have adopted and implemented programs to prevent the illicit use of drugs and alcohol by students and employees. Regulations also implemented new statutory authority for emergency actions to stop immediately the flow of student financial assistance funds to selected higher education institutions that have had termination actions initiated against them.

Legislation

OGC coordinated the Department's review of more than 500 congressional and administration requests for comments and clearance on proposed legislative documents and pending bills, an increase of 50 percent in comparison to previous Congresses. OGC provided technical drafting assistance in developing the President's Educational Excellence Act of 1989. OGC also provided extensive review and detailed bill reports on omnibus education legislation and drafted the student financial aid provisions for the FY 1991 omnibus budget reconciliation bill.

The Office of Inspector General (OIG) conducts and supervises audits, investigations, inspections, and other reviews of the Department's programs and operations. In addition, OIG provides leadership, coordination, and policy recommendations to promote economy, efficiency, and effectiveness; prevents fraud and abuse in Department operations and programs; and reviews proposed and existing legislation and regulations governing Department programs.

Critical Issues

OIG has identified the Department's student financial assistance programs as the most vulnerable to fraud and abuse. During fiscal year 1990, OIG audits, investigations, inspections, and other reviews continued to disclose problems that involve ability to benefit and other admissions abuses; ineligible courses and course stretching; accreditation, eligibility, and certification; branch campuses and ineligible campuses; refund practices; loan due diligence; Supplemental Loans for Students and Parent Loans for Undergraduate Students program issues; and bankrupt and closed schools issues. In addition to recommending the recovery of funds in individual cases, OIG made significant recommendations for changes in systemic requirements and practices, which, if implemented, will help prevent many of these abuses from occurring in the future.

Examples of OIG accomplishments during FY 1990 include the conviction and sentencing of a Florida bank and two of its former officers in U.S. District Court, Tampa, for student loan fraud, conspiracy, and embezzlement of approximately $18 million in fraudulent student loan insurance claims. An OIG investigation determined that bank officials had conspired with other bank employees to submit approximately 17,000 fraudulent student loan default claims for payments totaling $35 million. As part of a civil settlement, the bank agreed to pay the government more than $18 million. The settlement will also save the government about $13 million, which represents falsified student loan documentation that the bank agrees is permanently ineligible for reinsurance payment by the government.

During FY 1990, a number of important actions were taken against a New York-based corporation that operates a chain of beauty schools. In Boston, Massachusetts, the corporation and its Massachusetts subsidiaries were indicted by a federal grand jury on mail fraud charges that involved a scheme to defraud the student aid programs of more than $10 million. Shortly after the end of the fiscal year, the corporation and one of its subsidiaries were convicted on nine counts of the indictment. Also during FY 1990, eleven of the corporation's Florida employees pleaded guilty to various counts of making false statements regarding matters of institutional eligibility and student admissions. Finally, as a result of the suspension of the corporation, its president, and a subsidiary in FY 1989, the Department denied reimbursement claims totaling more than $5 million during FY 1990.

Statistical Summary of Accomplishments

During FY 1990, OIG issued or processed 4,917 reports on the Department's operations, grantees, contractors, and other participants in Department programs. The reports questioned costs of $436.6 million, identified unsupported costs of $55.6 million, and contained recommendations that could, if implemented, result in the better use of $64.2 million in federal funds.

In audit reports that were resolved during FY 1990, program managers sustained $99.9 million in questioned costs, $32.8 million in unsupported costs, and $191.4 million in recommendations for better use of funds. Funds recovered on closed audits totaled $50.5 million.

During FY 1990, OIG referred 297 cases of fraud and abuse relating to Department programs and operations to U.S. attorneys for prosecution. OIG referrals during this period, combined with prior referrals, resulted in 208 indictments, 211 convictions, $18.4 million in restitutions ordered, $13.2 million in savings, and $10.1 million in other monetary penalties. Actual recoveries that resulted from OIG investigations totaled $17.8 million.

The Office of Intergovernmental and Interagency Affairs (OIIA) serves as the liaison between the Department of Education and the public it serves. OIIA is responsible for overall leadership for the Department in establishing communications with a wide variety of intergovernmental, interagency, international, and public advocacy groups. Its operations include ten regional Department offices. Appendix B on page 35 lists the secretary's regional representatives, who represent the secretary before diverse public audiences across the country.

Intergovernmental Affairs

The Intergovernmental Outreach Staff represents the Department in its dealings with state and local governments, their educational agencies, and private sector education and civic groups. In FY 1990, OIIA staff expanded their contacts to include a broader range of constituency groups. Several policy briefings and meetings were held to increase community awareness of education initiatives, policies, and the national education goals. Staff participated in and monitored major education association meetings and governance groups. Arrangements were made for senior-level staff to speak at many of these conferences and videotaped or written messages from the secretary were sent to others.

Presidential Academic Fitness Awards Program

In 1990, a total of 51,503 schools recognized 1.5 million students with the Presidential Academic Fitness Award (PAFA), which is given to students who graduate from elementary and secondary schools and meet certain grade point average and standardized test percentile criteria.

Intergovernmental Advisory Council on Education

The Intergovernmental Advisory Council on Education (IACE) sponsored a televised symposium, "Running the Schools: The Road to Reform," in July 1990, which premiered nationwide a month later. The symposium, which centered on school reform issues, featured some of the country's preeminent educators, elected officials, community leaders, and business people.

Interagency Operations

Interagency Operations (IO) advises the deputy under secretary on the formulation of national and international policy and oversees the administration of various programmatic functions through three units: the Federal Interagency Committee on Education, Public Participation and Special Concerns, and the International and Territorial Affairs Staff.

IO was actively involved in the activities of several administration-wide policy groups, such as the Interagency Council on the Homeless, which has undertaken a number of initiatives aimed at increasing and improving interagency coordination on homeless issues. IO is also an active member of the Domestic Policy Council Working Group on Children and Family Policy and participated in the development of the Executive Order on the Family Annual Report.

IO also served as the Department's liaison to the White House Council on Environmental Quality's Earth Day interdepartmental working group, which planned, coordinated, and implemented the federal government's celebration of the twentieth anniversary of Earth Day.

The Outreach Information Staff in IO refined and expanded the sources of its computer program that tracks developments in education issues throughout the world. In FY 1990, special attention was paid to education developments in Eastern Europe.

Federal Interagency Committee on Education

In FY 1990, the Federal Interagency Committee on Education (FICE) maintained a subcommittee schedule designed to clarify the role and mission of the rural education and environmental committees. Also, the final regulations for the Intergovernmental Review of Federal Programs Executive Order were published in the *Federal Register* on May 25.

FICE staff continues to have active external agency contacts with committees and task forces relating to education. Under the Consumer's Executive Order, Consumer Affairs Staff responded to numerous inquiries from education constituencies and actively participated on the Consumer Affairs Council, contributing to the biannual publishing of the Consumer Resource Handbook. Additionally, the full FICE committee held three meetings in FY 1990 that focused on the Education Choice Initiative, the Department of Energy's Mathematics and Science Action Plan, and the Interagency Task Force on Literacy.

Public Participation and Special Concerns

The Office of Public Participation and Special Concerns represented the secretary on the Martin Luther King, Jr., Federal Holiday Commission and in the planning group for the Federal Agency Employees Involvement Committee.

International and Territorial Affairs Staff

The International and Territorial Affairs Staff (ITAS) coordinates the Department's participation in international activities by working with the Department of State and other federal agencies, international organizations, bilateral commissions, and foreign embassies.

In FY 1990, the Department was instrumental in establishing the school-community team approach as the basis for the Organization of American States' hemispheric plan to employ education in the fight against drug abuse. With the Organization for Economic Cooperation and Development, the Department provided leadership for the development of the first internationally comparable indicators of education quality. Also, when the Department signed a Memorandum of Understanding with Mexico in August 1990, it entered into the most comprehensive program of education cooperation ever undertaken with another country.

Choice in Education

During FY 1990, OIIA played a significant role in the Department's efforts to implement President Bush's pledge to make education choice the cornerstone of education reform. Since the convening of five regional conferences on choice in New York, Minnesota, North Carolina, Colorado, and California in FY 1989, the movement for education choice in the United States has continued to expand, and OIIA provided information about choice to officials, educators, groups, and individuals around the country in FY 1990.

As part of this increased effort, OIIA established the Center for Choice in Education in December 1990. Center activities include a toll-free choice hot line, resource bank of consultants, conferences and pamphlets that address different aspects of choice, various outreach activities, and how-to workshops for administrators, school board members, teachers, legislators, parents, and other interested parties.

Hearings and Appeals

The Office of Hearings and Appeals (OHA) established the Department's first procedures for formal mediation during FY 1990. OHA acted in response to amendments to the General Education Provisions Act (GEPA), which requires that mediation be provided as an alternative to adjudication in certain audit disputes. A pilot program developed with the Federal Mediation and Conciliation Service allows the Department to furnish professional mediation services to parties that elect that alternative.

Other Activities

To commemorate the ten-year anniversary of the founding of the U.S. Department of Education, OIIA organized an education fair on May 4, 1990. The latest advances in education technology were demonstrated before a diverse audience of students, educators, and Department employees and their children. OIIA also coordinated the 1989-90 Elementary School Recognition Program ceremony, which culminated in a White House visit for the 800 participants.

OIIA continued its stewardship of the five-year project with the National Governors' Association, Time for Results: Project Education Reform, by organizing a technical assistance meeting in Oak Ridge, Tennessee, at the Oak Ridge National Laboratory. Cosponsored by the U.S. Department of Energy, the conference focused on the improvement of mathematics and science education.

Additionally, OIIA serves as the volunteer coordinator for the Department's adopted school, Amidon Elementary School. In FY 1990, more than 100 employees volunteered to help improve the education opportunities for the students at Amidon by participating in one-on-one tutoring, library assistance, playground duty, and special subject instruction.

The Office of Legislation and Congressional Affairs (OLCA) coordinates and directs the Department's interaction with Congress. OLCA works closely with the secretary and departmental offices to develop and present the Department's legislative program and coordinates the presentation of congressional testimony by Department officials. In addition, OLCA responds to congressional inquiries about Department programs and policies and notifies members of Congress about the award of grants and contracts.

In fiscal year 1990, the Department's chief legislative goal was to obtain passage of President Bush's Educational Excellence Act of 1989. This bill contained initiatives to expand the magnet school concept; recognize and reward excellent teachers; promote accountability; provide scholarships for talented high school seniors planning to pursue mathematics, science, and engineering careers; reward schools that make significant progress in improving students' performance; reduce dropouts and drug use; provide special drug-education assistance to urban areas that are highly affected by drug use; and provide matching endowment grants for Historically Black Colleges and Universities. Introduced in April 1989, the bill was passed by the Senate in February 1990. However, a compromise version of the bill failed to pass both houses before the end of the 1990 legislative session.

Another priority for the Department was securing the reauthorization of the Perkins Vocational Education Act in September 1990 (P.L. 101-392).

In July 1990, the Department announced that the Higher Education Assistance Foundation (HEAF), a major student loan guarantee agency, was close to insolvency. The Department undertook efforts to change the management of HEAF and to transfer its loan portfolio to other guarantee agencies. OLCA managed the flow of information regarding this matter to interested congressional members and coordinated the Department's testimony before the Senate Committee on Labor and Human Resources and before the Senate Banking Committee.

In 1990, the Senate Governmental Affairs Subcommittee on Investigations undertook an extensive review of the Guaranteed Student Loan programs. OLCA coordinated several meetings between subcommittee investigators and Department officials throughout the year and served as the conduit for hundreds of documents that were requested by the subcommittee.

In August, the Department and the Office of Management and Budget (OMB) prepared proposals for student loan default reduction and guarantee agency management that were presented for possible inclusion in the FY 1990 budget reconciliation bill. OLCA, in consultation with OMB, worked with authorizing committees in the House and Senate to ensure that several of these provisions, which represent a $2 billion savings over five years, were included in the final version of the bill.

In preparation for the 1991 reauthorization of the Higher Education Act (HEA), OLCA participated in the work of the Department-wide HEA Task Force, which made recommendations to the secretary about the reauthorization proposal. OLCA also managed the Department's participation in the reauthorization of the Education of the Handicapped Act in October 1990 (P.L. 101-476).

Efforts to improve the performance of U.S. students in mathematics, science, and engineering were addressed by the Excellence in Mathematics, Science, and Engineering Education Act (P.L. 101-589), which was signed into law by the president in November 1990.

Other legislation handled by OLCA during 1990 included the Act for Better Child Care, reauthorization of the Follow Through Program, reauthorization of the McKinney Homeless Assistance Act, the School Dropout Prevention and Basic Skills Act, the Drug Abuse Resistance Education Act, the Anti-Drug Education Act, the Public Service Assistance Education Act, and the Chapter 1 Assessment Act. In addition, OLCA notified members of Congress of almost 9,000 discretionary grant awards and handled hundreds of congressional inquiries about a wide range of education issues.

The Office of Management (OM) oversees financial management and administrative support functions essential to the smooth operation of the Department. OM also administers the Department's equal employment opportunity program and investigates complaints of alleged noncompliance with the Family Educational Rights and Privacy Act and the Protection of Pupil Rights Amendment.

Improving Operations and Efficiency

OM is responsible for strengthening audit and Federal Managers' Financial Integrity Act (FMFIA) oversight activities. In FY 1990, OM consolidated them into one office. The new Office of Financial and Management Control (FMC) is responsible for ensuring that needed emphasis is placed on identifying and correcting financial and operational problems through the internal control and audit process. The office also coordinates the Department's management improvement initiatives.

The Committee on Audit Follow-Up and Internal Control Review addressed problems with the resolution of audits that were nearing the statute of limitations, failure of state education agencies to submit acceptable single audits, and the need to expedite debarment and suspension procedures. The committee also addressed a number of program-related problems, particularly in the area of student financial assistance programs.

A prototype Common Audit Resolution System was developed during the fiscal year and is now being tested to provide a single Department-wide means of tracking the audit resolution process and the implementation of corrective actions. Information contained in this system will be used to produce the Department's Semiannual Management Report to the Congress on Audit Follow-Up.

FMC staff also coordinated revisions of the Department's chapter in the Office of Management and Budget's "Compliance Supplement for Single Audits for State and Local Governments," which sets forth the major compliance requirements that should be considered by auditors when performing organization-wide audits (single audits) of state and local entities that have received federal assistance.

During FY 1990, the Horace Mann Learning Center developed several training programs to improve employee performance. One of these is the Contracting Officer's Technical Representative (COTR) Certification Program, under which each of the Department's approximately 300 COTRs must complete five courses before they can be certified to act as COTRs. This program will ensure that COTRs have adequate knowledge and skills to manage the more than $200 million in contracts that are awarded every year. A refresher course must be taken every three years to maintain certification.

Financial Management

The Federal Property Assistance Program Staff in FY 1990 conducted 451 on-site compliance surveys of surplus federal properties that are used for education purposes. In addition, the program was able to give to the U.S. Treasury $1.3 million that was generated from property sales, rentals, and other compliance and use-related activities.

The Financial Management Service (FMS) converted 200 accounts to the Department's Payment Management System (PMS), which now electronically disburses almost $19 billion annually to 16,200 recipients, reducing the time needed to make payments from several weeks to four days.

Outstanding debts of $50.1 million were collected in FY 1990, compared to $10 million in FY 1987, $23 million in FY 1988, and $36.9 million in FY 1989. FMS implemented the International Merchant Purchase Authorization Card credit card program to expedite the purchase of expendable goods and services costing less than $1,000 and initiated the Diner's Club Automated Teller Machine Travel Advance Program, through which Diner's Club cardholders can conveniently obtain travel allowances before or during travel.

In FY 1990, the Department also completed the sale of $26.3 million of certificates of beneficial interest that were related to the 1987 and 1988 sales of loans from the Department's College Housing Loan and Higher Education Facilities Loan portfolios.

Grants and Contracts

The Department published its first consolidated application notice (CAN) in the Federal Register in September 1990. The CAN offered a significant service to the education community by providing a single source of information about most FY 1990 discretionary grant applications.

In accordance with Section 426(b) of the Department of Education Organization Act, the Department hereby reports that in FY 1990 the Grants and Contracts Service awarded 8,882 discretionary grants, totaling nearly $1.5 billion. In addition, 15,657 procurement award actions, totaling $251.36 million, were completed. This figure includes 14,724 small purchase actions, totaling $16.27 million and 933 contract actions totaling $235.09 million.

Information Technology

A pilot project, involving twenty-four users at the Department's only remote headquarters location, 555 New Jersey Avenue, was initiated to evaluate remote Local Area Network (LAN) connectivity. If the pilot project is successful, the LAN will be expanded to the entire New Jersey Avenue building and to the regional offices.

The Office of Planning, Budget and Evaluation (OPBE) develops, presents, and manages the Department's budget; develops legislative proposals on education issues; coordinates the Department's planning for evaluation studies; and conducts evaluations and long-term planning for Department programs. In addition, OPBE prepares policy information and analyses for the secretary, the White House, and the Congress. OPBE also coordinates the Department's Management by Objectives (MBO) system and the MBO strategy to implement the president's mandate to improve accountability in federal education programs.

Budget and Legislative Programs

The Budget Service of OPBE simultaneously manages, at different stages, budgets for three fiscal years. During fiscal year 1990, the Budget Service worked with the secretary, the Department's senior officers, and the Office of Management and Budget in developing the Department's proposed FY 1992 budget. In addition, the FY 1991 budget was presented to Congress, and funds for the secretary's priorities were eventually appropriated. These included increased staff and administrative resources that should enable the Department to improve program monitoring and accountability. Finally, the Budget Service maintained a system of controls on the obligations of its $24.7 billion FY 1990 budget.

In FY 1990, the Budget Service was a key participant in presenting and defending legislative proposals originally developed in 1989, such as the Educational Excellence Act, the reauthorization of the Perkins Vocational Education Act, and the Individuals with Disabilities Education Act. OPBE helped to create and cochaired a departmental task force to examine student aid and other higher education programs in preparation for the reauthorization of the Higher Education Act (HEA). OPBE also helped to develop the administration's position on student loans for the Reconciliation Act and helped to develop the management tracking system for the secretary's Student Loan Default Reduction Initiative. The Budget Service assisted in developing the Department's legislative proposals to reauthorize the Rehabilitation Act; the Infants and Toddlers Program, under Part H of the Individuals with Disabilities Education Act; and the Education of the Deaf Act.

The Budget Service developed the Department's emergency action legislation, which resulted in the suspension of student aid eligibility for fourteen for-profit trade schools. The Budget Service also coordinated the development of the Department's response to congressional bills in the areas of teacher training, adult literacy, and mathematics and science education. Other activities included representing the Department in negotiations with Congress over reauthorization of the McKinney Homeless Assistance Act and the Follow Through Program; participating in meetings with House staff pursuant to a congressional investigation of the Department's implementation of the Hawkins-Stafford Amendments; and developing a draft of the Executive Order on Educational Excellence for Hispanic Americans, which was signed by President Bush on September 24, 1990.

Program Planning, Issue Analysis, and Evaluation

The Planning and Evaluation Service (PES) of OPBE provides answers about policy-related questions to the secretary and senior staff and prepares issue briefs and short reports about research findings. It plans and coordinates program evaluations conducted by the Department, which includes the review of study designs and final report drafts, and prepares the Department's annual evaluation plan and the secretary's *Annual Evaluation Report* to Congress.

A major accomplishment during FY 1990 was the organization and coordination of departmental activities under the Management by Objectives (MBO) system as required by the Office of Management and Budget. In close cooperation with program and staff offices, PES worked on implementing MBO plans, including the Department's accountability initiative.

During FY 1990, PES conducted research in support of the secretary's policy initiatives. The staff helped prepare several publications on such topics as reducing student loan defaults, effective migrant

education practices, state choice plans, administrative cost management in colleges and universities, and the escalating costs of higher education.

Current projects that were initiated in FY 1990 by PES include a three-year evaluation of Minnesota's open enrollment options program, which was undertaken at the request of the state of Minnesota.

Studies were conducted in FY 1990 to survey child-care availability, to identify promising practices in family education, to examine the transition between preschool and kindergarten education, to survey before and after school care, and to observe the relationships between preschool program practices and children's social and cognitive development.

Also initiated in FY 1990 was a study on the special strategies for educating disadvantaged children and a national longitudinal study of the impact of the Chapter 1 compensatory education program on both the school progress and the later lives of program participants. PES also began a national evaluation of adult education programs, a major evaluation of the Special Services for Disadvantaged Students Program, and a congressionally mandated study of the Even Start Program.

In collaboration with the Organization for Economic Cooperation and Development (OECD), PES helped to develop the report, "Case Studies of Best Practices for Children and Youth at Risk of School Failure," and organized a conference that included representatives from OECD and non-OECD countries on studies to improve education for at-risk children.

PES provided support to the Indian Nations At Risk Task Force announced by the secretary in FY 1990. The group is examining the education experiences of American Indian and Alaskan native students and recommending strategies for improving their education. PES also is assisting in preparing the final report.

In FY 1990, PES also concluded a two-year national study of the implementation of the Eisenhower Mathematics and Science Education Program.

The Office of Postsecondary Education (OPE) administers funding for more than sixty postsecondary education programs, including student financial assistance, institutional development, student services, housing and academic facilities, cooperative education, international education, and graduate education. In addition, OPE houses the Fund for the Improvement of Postsecondary Education and the White House Initiative on Historically Black Colleges and Universities. In fiscal year 1990, appropriations for these programs totaled $11.3 billion.

During FY 1990, OPE was successful in implementing the secretary's Student Loan Default Reduction Initiative. Based on the FY 1987 cohort default rates, more than 1,100 schools submitted default management plans to the Department for approval. An additional 550 schools submitted plans based on their FY 1988 cohort default rates. Guarantee agencies and regional offices have been provided information about schools that have default rates of more than 40 percent in order to schedule on-site program reviews during a two-year period.

Resolution of the HEAF Insolvency

In response to the financial instability of the Higher Education Assistance Foundation (HEAF), a national student loan guarantor, during the summer of 1990, OPE assisted in the resolution of the HEAF situation and simultaneously initiated a series of special reviews of all guarantee agencies to assess their present and projected financial stability. A review guide was developed, and thirteen guarantee agencies were reviewed during FY 1990 by inter-regional teams. The remaining guarantee agencies will be reviewed during FY 1991.

The Department, in consultation with the governors in states served by HEAF, is designating existing guarantee agencies to serve as interim guarantors for a one-year period. These agreements ensure program participants continued access to the Guaranteed Student Loan programs. OPE's program reviews of schools, lenders, and guarantee agencies increased to 1,975 in FY 1990, up from 1,354 in FY 1989.

Enforcement Actions

During FY 1990, the Department increased the number of actions against institutions that were in violation of student financial assistance regulations: Fifty-three actions were taken to terminate schools in FY 1990 compared with thirty such actions in FY 1989; fifty-eight individuals or corporations were suspended or debarred in FY 1990 compared with twenty-four such actions in FY 1989. New statutory authority was implemented that allowed the Department to take emergency action by immediately suspending funds to schools that were determined to have committed fraud or abuse. Under the new authority, twenty-five emergency actions were initiated.

Recovery of Excess Cash Reserves

Since FY 1988, a major effort has been made to recover $196.8 million in excess cash reserves from thirty-seven guarantee agencies. OPE has successfully collected $186 million of that amount through FY 1990.

Higher Education Programs

OPE's Office of Higher Education Programs initiated strategies in FY 1990 to encourage efforts in the areas of mathematics, science, and international education. For example, the Talent Search Initiative, through a limited competition, provided opportunities for grantees to expand services to seventh- and eighth-grade students. The Upward Bound Program's newly established mathematics and science component held its first competition, awarding more than $3 million to twenty-nine grantees. Finally, the Center for International Education, in concert with other OPE programs, focused its attention on Eastern Europe and the European Community (EC) nations. Efforts served to encourage institutional communication between the EC and the United States; faculty-student exchanges; credit transfer protocols; and education partnerships.

During FY 1990, the Fund for the Improvement of Postsecondary Education (FIPSE) awarded fifty-eight new comprehensive program grants, eleven new community service grants, 156 new Drug Prevention Program grants, and six new lecture series grants.

During September 1990, FIPSE and the Fund for the Improvement and Reform of Schools and Teaching (FIRST) cosponsored a conference to discuss ways to improve the quality of teacher preparation and curriculum materials in elementary, secondary, and higher education. As part of OPE's International Initiative, FIPSE assisted in the negotiation of an agreement between the United States and the EC that will foster cooperation and exchange between EC and U.S. universities.

Established by executive order in April 1989, the White House Initiative on Historically Black Colleges and Universities (HBCUs) was bolstered in 1990 by the establishment of the President's Board of Advisors (PBA), which was appointed on September 20, 1990, to advise the administration on how the federal government and the private sector can help strengthen the country's HBCUs.

During September 1990, the White House Initiative on HBCUs Office sponsored a national conference, "Strengthening HBCUs: Strategies for Progress for the 1990s and Beyond," which featured keynote addresses by two cabinet officials and the announcement of a new initiative: the establishment of the University Consortium for Research and Development, which pairs fourteen HBCUs with seven midwestern research universities in order to improve the research capabilities of the HBCUs.

The Office of Special Education and Rehabilitative Services (OSERS) administers programs to assist states in the education of children with special needs and the rehabilitation of youth and adults with disabilities. OSERS also provides support for special institutions that serve individuals with disabilities, and it conducts research, demonstration, and training activities to improve the education and rehabilitation of people with disabilities. In addition, OSERS supports independent living programs for persons with severe disabilities, early intervention programs for infants and toddlers with disabilities, and programs designed to make technology-related assistance available to persons with disabilities. For fiscal year 1990, OSERS received an appropriation of $3.94 billion.

Special Education

The Office of Special Education Programs (OSEP) administers programs that provide special education and related services to infants, toddlers, children, and youth with disabilities and their families. In FY 1990, OSEP received a total appropriation of approximately $2.1 billion.

During FY 1990, the emphasis in discretionary programs was again placed on increasing the number and quality of training programs that are designed to prepare personnel in addressing the education needs of children with disabilities. OSEP also focused on evaluating the effectiveness of intervention strategies that have been developed to assist infants, toddlers, and preschoolers with disabilities.

New research projects were supported during FY 1990 that will focus on issues such as the impact of language and cultural differences on the delivery of special education and related services to children and families from minority backgrounds. In addition, new technology projects will focus on multimedia instruction and on the identification of emerging issues and trends in the field of special education.

Rehabilitative Services

The Rehabilitation Services Administration (RSA) oversees programs that assist states in providing services to persons with physical or mental disabilities in order to help them obtain employment and to live independently within the family or community. In FY 1990, RSA received an appropriation of approximately $1.8 billion.

The Vocational Rehabilitation State Grants Program administered by RSA assisted in the successful rehabilitation of more than 220,000 individuals with disabilities and the provision of vocational rehabilitation services to 940,000 individuals with disabilities during FY 1990.

Research

The National Institute on Disability and Rehabilitation Research (NIDRR) provides support for research demonstrations, dissemination, and training in all aspects of disability and rehabilitation. In FY 1990, NIDRR received an appropriation of approximately $54.3 million.

In FY 1990, NIDRR supported the work of thirty-eight Rehabilitation Research and Training Centers, each of which focused on a particular aspect of the medical or vocational rehabilitation of persons with disabilities, and eighteen Rehabilitation Engineering Centers, which seek solutions to disability-related problems through the application of technological advances.

The Office of Vocational and Adult Education (OVAE) administers programs that help the states meet the educational needs of their work forces and programs that provide adults with basic and career skills. It also helps the states ensure equal access to vocational and applied technology education for the disadvantaged, the disabled, men and women entering nontraditional occupations, single parents, and incarcerated adults. Adult education grants to states are made to assist educationally disadvantaged adults in pursuing a high school diploma or its equivalent and to develop basic skills, including literacy. OVAE's appropriation for fiscal year 1990 was $1.13 billion.

Statement of Purpose

In FY 1990, to better communicate its strategy and approach in efforts to serve the interests of vocational-technical education, adult education, and literacy, OVAE developed and implemented a statement of purpose and specific goals.

Vocational-Technical Education

The Division of Vocational-Technical Education undertook a number of initiatives in FY 1990, most of which were designed to assist states in implementing the provisions of the Carl D. Perkins Vocational Education Act amendments. Activities included technical assistance meetings on accountability, forums on regulatory issues, state plan implementation meetings, fifteen State Accountability Review System visits, and achievement of substantial progress in the development of a new Management Information System.

OVAE also convened working groups on two critical areas that were highlighted in the 1990 amendments to the Perkins Act: performance standards and assessment. These two groups, composed of experts from the field, offered suggestions on how OVAE could provide technical assistance and leadership in these areas.

The Educator Preparation and Professional Development Team convened a meeting of experts in 1990 in order to identify key issues and help the division determine a plan of action for promoting improvements in the preparation and professional development of vocational-technical, secondary, and postsecondary instructors, counselors, and administrators. Also, the International Team began active involvement in FY 1990 in the Organization for Economic Cooperation and Development's study project on the changing role of vocational-technical education and training. The division is responsible for coordinating U.S. involvement in the project, which includes conducting a country study and hosting an issue seminar.

Innovation and Development

In FY 1990, the Division of National Programs supported efforts to integrate basic skills and academic content into vocational education by funding projects that include such an approach and working cooperatively with the National Center for Research in Vocational Education (NCRVE). In FY 1990, NCRVE conducted a survey that identified eight different models or existing approaches being used across the country to integrate basic skills and academic content into vocational education. The division supported thirty demonstration projects that incorporate high technology into vocational education and thirty-one projects designed to improve literacy in the workplace.

Adult Education

During FY 1990, the fifty states received more than $157.8 million in funds under the Adult Education Act. States are required to use at least 10 percent of their adult education grants for experimental, demonstration, and teacher training projects.

In addition, the Division of Adult Education and Literacy provided assistance to the states through on-site technical assistance visits and four regional workshops for adult education state directors that focused on program effectiveness measures, national literacy initiatives, and state administrative issues related to implementation of the Adult Education Program.

Adult Literacy

During FY 1990, the Adult Literacy Initiative continued to work with other federal agencies that administer programs related to job training, basic skills development, and economic development. In addition, OVAE provided information and technical assistance to the National Governors' Association and the Council of State Policy and Planning Agencies for the development of their adult literacy publications. Assistance also was provided to the states regarding effective policies in the area of adult literacy.

In FY 1990, OVAE participated in two research projects, the National Adult Literacy Survey (NALS) and the National Study of Adult Education Programs (NSAEP). The NALS will assess the literacy skills of 13,000 adults in the forty-eight contiguous states and will generate a series of reports on the extent and nature of illiteracy in the United States. The NALS research project will be completed in September 1993, and will provide national, state, and local policy-makers with information that will help improve programs that are designed to enhance the educational and occupational skills of adults. The NSAEP is a longitudinal survey of adult education participants that will provide a nationally representative description and assessment of adult education programs. The study's goal is to provide information that will be useful in reauthorization of the Adult Education Act. Findings from the longitudinal survey will be available in a June 1992 interim report.

APPENDIX A—ADVISORY COMMITTEES, BOARDS AND COMMISSIONS

The Department's Committee Management Staff oversees the establishment, operation, and legal compliance of twenty-one departmental committees. During FY 1989 and FY 1990, the Department established five advisory committees and one operational committee. These committees provided direct citizen involvement in the Department's programs and policies through their recommendations, policy guidance, and appellate decisions. Additional information on the activities of advisory committees required under Sections 443 and 448 of the General Education Provisions Act will be reported after March 31, the submission date of the committees' annual reports to the secretary.

Advisory Committees, Boards and Commissions

(October 1, 1988—September 30, 1990)

Advisory Committees

Advisory Committee on Student Financial Assistance
Advisory Council on Education Statistics
Fund for the Improvement and Reform of Schools and Teaching Board [1]
Indian Nations at Risk Task Force [2]
Intergovernmental Advisory Council on Education
National Advisory Board on International Education Programs
National Advisory Committee on Accreditation and Institutional Eligibility
National Advisory Council on Educational Research and Improvement
National Advisory Council on Indian Education
National Board of the Fund for the Improvement of Postsecondary Education
National Commission on Drug-Free Schools [3]
National Council on Vocational Education
President's Board of Advisors on Historically Black Colleges and Universities [4]
Special Study Panel on Education Indicators [5]

Boards and Commissions

Civil Rights Reviewing Authority
Commission on Presidential Scholars
Education Appeal Board
Exchange Visitor Waiver Review Board
Federal Interagency Committee on Education
Jacob K. Javits Fellows Program Fellowship Board
National Assessment Governing Board [6]

[1] Established October 1, 1988
[2] Established March 8, 1990
[3] Established June 5, 1989
[4] Established December 7, 1989
[5] Established July 17, 1989
[6] Established October 1, 1988



APPENDIX B—SECRETARY'S REGIONAL REPRESENTATIVES

Region I
Dennis Smith
Secretary's Regional Representative
John W. McCormick Post Office and Courthouse
Room 536, Post Office Square
Boston, Massachusetts 02109
617/233-9317

Region II
Herb Stupp, Acting
Secretary's Regional Representative
26 Federal Plaza, Room 36-120
New York, New York 10278
212/264-7005

Region III
D. Kay Wright
Secretary's Regional Representative
3535 Market Street, Room 16350
Philadelphia, Pennsylvania 19104
215/596-1001

Region IV
John F. Will
Secretary's Regional Representative
101 Marietta Tower Building
Suite 2221
Atlanta, Georgia 30323
404/331-2502

Region V
Brian Carey
Secretary's Regional Representative
401 South State Street
Suite 700 A
Chicago, Illinois 60605
312/353-5215

Region VI
Sam P. Wilson
Secretary's Regional Representative
1200 Main Tower Building
Room 2125
Dallas, Texas 75202
214/767-3626

Region VII
Cynthia A. Harris-Hillman
Secretary's Regional Representative
10220 North Executive Hills Boulevard, 9th floor
Kansas City, Missouri 64153
816/891-7972

Region VIII
Tom Tancredo
Secretary's Regional Representative
Federal Office Building
1244 Speer Boulevard, Suite 310
Denver, Colorado 80204
303/844-3544

Region IX
Dorothy Vuksich, Acting
Secretary's Regional Representative
50 United Nations Plaza, Room 205
San Francisco, California 94102
415/556-4920

Region X
Roberta May
Secretary's Regional Representative
Jackson Federal Building
915 Second Avenue, Room 3362
Seattle, Washington 98174
206/442-0460

ED/OS91-4

DATE DUE

GAYLORD			PRINTED IN U.S.A.

NATIONAL LIBRARY OF EDUCATION
3 6533 00227804